

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 057035

47

ORIGIN AGR-20

INFO OCT-01 EA-11 ADP-00 EB-11 CIAE-00 COME-00 INR-09

LAB-06 NSAE-00 RSC-01 STR-08 TRSE-00 CIEP-02 SAL-01

OMB-01 L-03 /074 R

66602

DRAFTED BY: FAS: COT: HRWEBB, JR.

APPROVED BY: EB/ ICD: JBKYLE

CP: AGRIC: DMRUGEL

AGEIC: AA: FWTRAEGER

AGRIC: OA: RAOANES

EMS: AMEAD

EMB: GTUSSEY

EMS: GRATHELL

EB/ ICD/ FTD: ADSSENS

EA/ K: HNEWSOM

AGRIC: ERBEVIS

----- 045941

R 281945 Z MAR 73

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL

LIMITED OFFICIAL USE STATE 057035

E. O. 11652: N/ A

TAGS: EAGR, ETRD

SUBJECT: BANN ON PRODUCTION OF 100 PERCENT COTTON GOODS

FOR AGRICULTURAL ATTACHE

REF: AG ATTACHE LETTER OF FEBRUARY 2, 1973; SEOUL 761

1. USG CONCERNED AT REPORTED ACTION OF ROK BANNING PRODUCTION
OF 100 PERCENT COTTON TEXTILES FOR DOMESTIC CONSUMPTION.

2. SHORT- RUN EFFECT OF BAN LIKELY TO BE SUBSTITUTION OF
IMPORTED MAN- MADE FIBER (MAINLY FROM JAPAN) FOR IMPORTS OF RAW
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 057035

COTTON, PRACTICALLY ALL FROM U. S. THIS WOULD BE SERIOUS BLOW TO U. S. AGRICULTURAL INTERESTS AND WOULD FURTHER AGGRAVATE U. S. BALANCE OF PAYMENTS PROBLEM.

3. USDA AND COTTON COUNCIL INTERNATIONAL HAVE BEEN WORKING IN COOPERATION WITH KOREAN TEXTILE INDUSTRY FOR MORE THAN 2 YEARS IN JOINT EFFORT EXPAND KOREAN DOMESTIC MARKET FOR 100 PERCENT COTTON TEXTILES TO MUTUAL BENEFIT ALL CONCERNED. BAN JEOPARDIZES THAT PROGRAM AND WILL NEGATE BENEFIT OTHERWISE EXPECTED FROM SUBSTANTIAL EXPENDITURE TO DATE USG FUNDS AND THOSE OF KOREAN COOPERATORS.

4. U. S. AGRICULTURAL INTERESTS HAVE STRONGLY PROTESTED ACTION BY ROK ON BASIS IT WILL DIMINISH MARKETING OPPORTUNITIES FOR U. S. COTTON A SPECIAL CONTRACT, WITH PREFERENTIAL TREATMENT NOT PROVIDED IN THE MINING CODE. THE TEMPTATION TO PLAY POLITICS WITH SUCH A LUCRATIVE PLUM WILL BE A FACTOR WE SHOULD TAKE INTO ACCOUNT BEFORE, RATHER THAN AFTER, THE FACT.

3. THE CHILEAN EXPERIENCE OF CERRO, KENNECOTT, AND ANACONDA IS, PARTIALLY AT LEAST, NOW A MATTER OF HISTORY. ON COULD LOGICALLY MAINTAIN THAT THE AGREEMENTS BY ANACONDA AND KENNECOTT TO BRING IN THE GOC AS A PARTNER WERE MADE TOO LATE. I WON' T BE HERE, BUT I WOULD HATE TO SEE THE SAME UNHAPPY SEQUENCE OF EVENTS AFFECT SPCC IN PERU.

4. THE PURPOSE OF THIS CABLE IS TO SUGGEST A MEANS WHEREBY THE REQUIRED ADDITIONAL FINANCING COULD BE ASSURED AND AT THE SAME TIME BE A CATALYTIC AGENT IN PERSUADING SPCC TO BRING THE GOP INTO THE ACT AS A PARTNER, THEREBY PROTECTING US INTERESTS IN THIS IMPORTANT AND RELATIVELY CHEAP SOURCE OF COPPER.

5. MY SUGGESTION IS THAT THE USG INFORM SPCC THAT EXIM WILL PROVIDE THE FINANCING STILL REQUIRED ON CONDITION THAT SPCC OFFER THE GOP A SUBSTANTIAL EQUITY IN THE CUAJONE- TOQUEPALA COMPLEX. THE GOP CONTRIBUTION COULD BE THE ASSUMPTION OF THE OBLIGATION TO THE CHASE MANHATTAN GROUP PLUS THE QUELLAVECO RESERVES WHICH REVERTED TO MINERO PERU IN 1970. THROUGH SUCH AN ACTION WE COULD ASSURE A SIZEABLE MARKET FOR US HEAVY EQUIPMENT AND AT THE SAME TIME GIVE SPCC A BETTER CHANCE OF SURVIVAL AS A PRIMARILY US INVESTMENT IN A REVOLUTIONARY SOCIETY. WITHOUT A SUBSTANTIAL GOP SHARE IN THE " ACTION", MY PREDICTION FOR SPCC (AND MY SUCCESSORS) IS NOTHING BUT TROUBLE.
BELCHER

CONFIDENTIAL

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 28 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE057035
Document Source: CORE
Document Unique ID: 00
Drafter: FAS: COT: HRWEBB, JR.
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730342/aaaailsl.tel
Line Count: 115
Locator: TEXT ON-LINE
Office: ORIGIN AGRE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 26 NOV 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26-Nov-2001 by shawdg>; APPROVED <25 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> jms 980108
Subject: BANN ON PRODUCTION OF 100 PERCENT COTTON GOODS
TAGS: EAGR, ETRD
To: SEOUL
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005